

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 AGR-05 PA-01 PRS-01 USIA-06 /044 W
-----041441Z 052301 /40

R 011830Z APR 77
FM AMEMBASSY GEORGETOWN
TO SECSTATE WASHDC 4435
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY CARACAS
AMEMBASSY KINGSTON
AMEMBASSY PARAMARIBO
AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L SECTION 1 OF 2 GEORGETOWN 0670

E.O. 11652: GDS
TAGS: PINT, ELAB, GY
SUBJECT: POSSIBLE SUGAR STRIKE

REF: (A) GEORGETOWN A-12, (B) GEORGETOWN 0668

SUMMARY: PPP-CONTROLLED GUYANA AGRICULTURAL WORKERS UNION (GAWU) HAS ISSUED ULTIMATUM TO GUYSUCO DEMANDING SETTLEMENT OF VARIOUS LONGSTANDING ISSUES. GOG HAS CLAIMED THAT IMPLIED STRIKE THREAT IS POLITICALLY MOTIVATED AND HAS ACCUSED PPP OF EFFORTS TO DESTABILIZE COUNTRY. PNC AND PPP SEEMED POISED FOR TEST OF STRENGTH. END SUMMARY.

1. ON MARCH 25, GUYANA AGRICULTURAL WORKERS UNION (GAWU) ISSUED ULTIMATUM TO GUYSUCO STATE CORPORATION DEMANDING THAT SIX OUTSTANDING ISSUES BE RESOLVED WITHIN SEVEN DAYS. GAWU AGAIN DEMANDED THAT SUGAR LEVY BE REMOVED SO THAT WORKERS CAN RECEIVE BENEFITS OF PROFIT-SHARING PLANS, GAIN WAGE INCREASES, AND OBTAIN BETTER LIVING CONDITIONS ON ESTATES. GAWU INSISTED THAT TWO OUTSTANDING DISPUTES (ONE DATING FROM 1974) CONCERNING WAGE RATES AND ALLEGED DISCRIMINATORY
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PRACTICES IN FAVOR OF MEMBERS OF PEOPLE'S NATIONAL CONGRESS (PNC) BE RESOLVED.

2. THERE IS AS YET NO END IN SIGHT TO LABORIOUS INQUIRY OF CRANE COMMISSION APPOINTED BY GOG TO INVESTIGATE SITUATION AT ALBION ESTATE. IN ITS ULTIMATUM, GAWU CITED A DECREASE IN WORKERS' WAGES DUE TO DIFFICULT WORKING

CONDITIONS AS ISSUE TO BE SETTLED. GOG WAS ACCUSED OF VARIOUS DISCRIMINATORY PRACTICES SUCH AS INADEQUATE DISTRIBUTION OF ESSENTIAL FOODSTUFFS IN AREAS WHERE SUGAR WORKERS LIVE AND HARASSMENT OF WORKERS WHO REFUSE TO SUPPORT PNC. STATEMENT ALLUDED TO ILL TREATMENT OF BAUXITE WORKERS INVOLVED IN RECENT STRIKE AND TO UNFAIR TREATMENT OF RAMPERSAUD. FINALLY, USE OF SUGAR INDUSTRY LABOR WELFARE FUND (SILWF) FOR PUBLIC IMPROVEMENT IN NON-SUGAR WORKER AREAS WAS CONDEMNED. ALTHOUGH NOT MENTIONED IN GAWU ULTIMATUM, STALLED NEGOTIATIONS BETWEEN GAWU AND GUYSUCO FOR WAGE INCREASES ARE ADDITIONAL COMPLICATING FACTOR (REF A).

3. IN REPLY TO ULTIMATUM CARRIED IN CHRONICLE, GUYSUCO MAINTAINED THAT DISPUTE AT ALBION HAD BEEN MOSTLY SETTLED AND THAT QUESTION OF WAGES COULD BE FURTHER DISCUSSED. OTHER ISSUES MENTIONED IN GAWU ULTIMATUM WERE LABELED NON-INDUSTRIAL AND BEYOND COMPETENCE OF GUYSUCO.

4. ON MARCH 30, GOG ISSUED A TOUGH STATEMENT ACCUSING PPP-CONTROLLED GAWU OF ATTEMPTING TO DESTROY SUGAR INDUSTRY FOR POLITICAL PURPOSES. THIS REPLY TO GAWU WAS REPORTEDLY DRAFTED BY PM BURNHAM AND MINISTER OF AGRICULTURE KENNARD. POINTING OUT THAT JAGAN HIMSELF HAD IDENTIFIED STRIKES AS DESTABILIZATION TACTIC, STATEMENT ALLEGED THAT POLITICAL ISSUES RAISED IN GAWU'S ULTIMATUM WERE PART OF PPP QUOTE DIRECT ATTEMPTS AT DESTABILIZATION OF THE COUNTRY UNQUOTE. PPP-BACKED EFFORTS TO ENDANGER SUGAR INDUSTRY GAVE LIE TO PPP CRITICAL SUPPORT. STATEMENT
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CONCLUDED THAT NATION MUST RECOGNIZE POLITICAL OBJECTIVES BEHIND GAWU ULTIMATUM AND EMPHASIZED THAT GOVERNMENT WOULD TAKE NECESSARY MEASURES TO PROTECT NATION'S ECONOMIC INTERESTS.

5. AT SAME TIME GOG PUBLICIZED TWO CONCILIATORY GESTURES WHICH HAVE EVIDENTLY FAILED TO PLACATE GAWU AND PPP. ON MARCH 31, CHRONICLE REPORTED THAT BURNHAM HAD DECIDED TO ACCEPT REPRESENTATIONS MADE BY TRADES UNION CONGRESS (TUC) TO SELL HOUSE LOTS AT ONE DOLLAR PER LOT TO SUGAR WORKERS WHO HAVE BEEN OCCUPYING LOTS ON PUBLIC LAND. THIS DECISION MADE UNDER PRESSURE FROM TUC AND GAWU REPRESENTED MAJOR COMPROMISE BY GOVERNMENT SINCE FOR OVER A YEAR IT HAS BEEN INSISTING THAT LOTS BE SOLD FOR FIVE HUNDRED DOLLARS EACH. SAME DAY CHRONICLE REPORTED THAT ESSENTIAL COMMODITIES SUCH AS FLOUR, SUGAR, SALT, OIL AND MILK HAD BEEN DISTRIBUTED IN SUGAR BELT AT SEVERAL KEY ESTATES TO ALLEVIATE SHORTAGES.

6. THESE GESTURES, HOWEVER, CAME TOO LATE AND HAVE FOLLOWED ON HEELS OF UNREST AT SUGAR ESTATES FOR PAST TWO MONTHS. DURING LATE FEBRUARY AND MARCH AT LEAST SEVEN SUGAR ESTATES WERE HIT BY WORK STOPPAGES INVOLVING FROM 400 TO 1000 WORKERS AT EACH ESTATE. THESE LIGHTENING STRIKES HAVE BEEN CAUSED BY DISPUTES OVER WAGES PAID FOR CUTTING OVERRUM AND POOR QUALITY CANE. PPP MIRROR HAS PLAYED UP DISSATISFACTION UNDOUBTEDLY TO PREPARE WORKERS FOR GAWU ACTION.

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C O N F I D E N T I A L SECTION 2 OF 2 GEORGETOWN 0670

7. ULTIMATUM SHOULD BE VIEWED IN CONTEXT OF INCREASING ANTAGONISM BETWEEN PPP AND PNC (REF B). ON MARCH 30, PPP MP'S WALKED OUT OF PARLIAMENT IN PROTEST AGAINST ALLEGED EFFORTS TO RESTRICT JAGAN'S RIGHT TO SPEAK ON HUMAN RIGHT ISSUE. ON APRIL 1, CHRONICLE PUBLISHED RESULTS OF STUDY BY JUSTICE JHAPPAN ON 1973 ELECTIONS WHICH BLAMED ELECTORAL VIOLENCE ON ACTIONS OF PPP ACTIVISTS.

8. COMMENT:. ALLEGED GRIEVANCES OF GAWU, WALKOUT, JHAPPAN REPORT AND RAMPERSAUD CASE HAVE HEIGHTENED TENSIONS BETWEEN PNC AND PPP. PPP MAY NOW BE HJYJTGS WZWSLS SUGAR STRIKE A TEST OF STRENGTH AND SERVE NOTICE TO GOVERNMENT THAT IT MUST MAKE ACCOMMODATION WITH JAGAN. GAWU IS SUPPOSED TO MEET THIS WEEKEND TO CONSIDER FURTHER ACTION. FONMIN WILLS TOLD CHARGE MARCH 31 THAT

HE HAD PROTESTED TO THE SOVIET AMBASSADOR THAT MORNING
OVER SOVIET ENCOURAGEMENT OF JAGAN. THE GOG IS WORRIED
BECAUSE A PROLONGED STRIKE IN SUGAR INDUSTRY WOULD
STOP ACQUISITION OF ESSENTIAL FOREIGN EXCHANGE AND
POSSIBLY FORCE GOG TO RESCHEDULE EXTERNAL DEBT
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PAYMENTS.
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Message Attributes

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